

HANNOVER FINANCE, INC.
CONSOLIDATED INCOME STATEMENT - IFRS BASIS
DECEMBER 31, 2015 vs PRIOR YEAR TO DATE
\$000's unless otherwise indicated
Package Results

| | YTD 12/31/2015 | YTD 12/31/2014 | Increase (Decrease) | % |
|---|-------------------|-------------------|------------------------|---------|
| Gross written premium | - | - | - | #DIV/0! |
| Net earned premium | - | - | - | #DIV/0! |
| Gross incurred losses and loss adj expenses | - | - | - | #DIV/0! |
| Net incurred losses and loss adj expenses | - | - | - | #DIV/0! |
| Commissions - gross | - | - | - | #DIV/0! |
| Commissions - net | - | - | - | #DIV/0! |
| Fee income | - | - | - | #DIV/0! |
| Premium tax, assessments and fees | - | - | - | #DIV/0! |
| Other underwriting expenses | - | - | - | #DIV/0! |
| Change in DAC | - | - | - | #DIV/0! |
| Change in deferred fee income | - | - | - | #DIV/0! |
| Net underwriting expenses | - | - | - | #DIV/0! |
| Net underwriting result | - | - | - | #DIV/0! |
| Gross investment income | 13,566 | 15,958 | (2,392) | -15.0% |
| Unrealized (gains) losses - surplus notes | (163) | 1,250 | (1,413) | -113.0% |
| Other investment expenses | 274 | 293 | (19) | -6.4% |
| Realized capital gains (losses) | 746 | 355 | 391 | 110.2% |
| Net investment result | 14,201 | 14,770 | (569) | -3.9% |
| Interest expense | - | - | - | #DIV/0! |
| Depreciation and amortization | - | 11 | 11 | -100.0% |
| Write-offs and other | 1,733 | 2,559 | 827 | -32.3% |
| Total other income (loss) | (1,733) | (2,570) | (837) | -32.6% |
| Net income (loss) before FIT | 12,468 | 12,200 | 268 | 2.2% |
| Federal income taxes (benefit) | 4,274 | 3,872 | 401 | 100.0% |
| Net income (loss) before discontinued ops. | 8,194 | 8,328 | (134) | -1.6% |
| Net income from discontinued operations | - | - | - | 0.0% |
| Net income (loss) after discontinued ops. | 8,194 | 8,328 | | |